Congress of the United States Washington, DC 20515

April 28, 2004

The Honorable Ann M. Veneman Secretary US Department of Agriculture 1400 Independence Avenue, SW Washington, DC 20250

Dear Secretary Veneman:

As a result of both flat and declining demand for potatoes and potato products and supply increases resulting from expanding production in Canada, potato producers in the 34 potato producing states are experiencing serious difficulty marketing their 2003 crop. Previously during similar supply and demand imbalances, USDA purchases of potatoes and potato products for the School Lunch and other Federal Feeding programs have been effective in easing the over supply, stabilizing prices, and making more potatoes available to the consumers who utilize these programs. The additional purchases made possible through the Section 32 "bonus buy" program have been particularly beneficial.

The domestic supply situation and the overall trade deficit in potatoes and potato products are very troubling. The continued strong dollar has limited US export growth while between 2001 and 2002 imports of all types of potatoes have increased by 38,5 percent in volume and 25.7 percent in value. Our growers now face a negative trade balance for potatoes and potato products for the first time in US history. The significant increase in imports has resulted from a major increase in Canadian exports to the US. Canadian potato growers benefit directly from government supported trade restrictions that limit US growers' access to markets north of the border.

On behalf of the potato growers in our states and districts we respectfully request your assistance in making additional purchases of potatoes and potato products primarily under the "bonus buy"

provisions of the Section 32 program.

Sincerely,

Senator Larry E. Craig

enator Debbie Stabenow

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Rep. Tom Osborne Senator Kent Conrad Rep. Mark Green Senator Norm Coleman

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Senator Max Baucus

Senator Conrad Burns

Senator Maria Cantwell

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